IN THE

United States Court of Appeals

FOR THE THIRD CIRCUIT

No. 11,144

IVAN N. FRAVER,

Plaintiff-Appellant,

VS.

THE STUDEBAKER CORPORATION.

PETITION FOR REHEARING

May it please the Honorable Court:

Appellant respectfully prays for a rehearing for the following reasons:

A shocking injustice has been done to plaintiff. He was not only deprived of a hard fought and justly won verdict of $79,250, following about two weeks of trial, but, to add insult to injury, this court imposed upon him defendant's "costs" which, among other things, includes 166 pages of brief and appendices amounting to $435. Defendant lavishly printed 100 pages of testimony alone (four times as much as appellant) which, it is felt, included "unnecessary matter" within the meaning of Rule 35 (4) of this Court. Many of the exhibits in Appellee's Appendix Vol. II are unnecessary duplicates of those in Appellant's Appendix 2. But aside from this, appellant is an individual of ordinary

means, earning only $1800 a year during the development of his invention, as the record shows (R. 220). He was financially unable even to pay counsel for his services in this appeal since the costs of printing his briefs were extremely burdensome. Nevertheless counsel undertook the appeal because of his strong conviction, which he steadfastly holds, that, according to the law and facts, the jury's verdict should stand. It is significant that the District Court did *not* include "costs" in its judgment *N. O. V.* (29a).

In view of appellant's financial circumstances, coupled with the fact that the jury returned a verdict in favor of appellant, and the further fact that the Patent Office discarded, as *not* pertinent, the very patents most strongly relied upon by the District Court, such as the Cooke patent (which is representative of the four patents to Cook, Cooke, Crowther and Pickwick Bus) (32a), it is respectfully prayed that the very least showing of justice by this court would be to eliminate the item of "costs" in its judgment of December 16, 1953. Must appellant be penalized for asking the court to be consistent with the Patent Office Examiner in discarding the Cooke patent and others cited such as Alkire, Williams, Roemer, Beucher, (reply br. p. 19), as the Examiner has done, as not pertinent? It is no wonder the Patent Office discarded these patents since they involve impractical systems never used commercially, having dangerous obstructions, as vanes near the doors, which permit rain to enter seats as distinguished from an upwardly extending pipe entering Fraver's chamber which prevents this,—also they require special constructions and cutting up of the seat and car as compared to Fraver's combination which does not and is completely concealed.

Must appellant be penalized for asking the Government to abide by the terms of its written contract (granted claims) instead of rewriting them as the court has done by adding unexpressed limitations?

Secondly, a clear and glaring error of law was made by the District Court in holding throughout its Opinion (on page 32a and again on page 33a) that *in 1933* (the issue date of the patent in suit) appellant's invention was obvious to those skilled in the art. This is contrary to the most elementary principles of patent law, since the factual question of obviousness must be decided as of the *date the invention was made,* that is, on or before 1931. It is clear error to make this determination in 1933. A statement of the law that has existed for over a century is found in 35 USC 103 which sets forth, as the criterion of "invention," whether "the subject matter as a whole would have been obvious *at the time the invention was made* to a person having ordinary skill in the art to which said subject matter pertains." (Emphasis added.) The court further clearly erred by reexamining the facts and usurping the jury's function in determining this matter of obviousness at all, since it is a question of *fact* for the jury, and not of law for the court as recently reiterated by the Supreme Court in Thomson v. Ford Motor, 265 U. S. 445, 446 (br. p. 9). The court further erred in making its own decision of obviousness in spite of the fact that there was *no evidence whatsoever* offered by defendant relating to obviousness to those skilled in the art, such as concurrent invention by others. The court had no power to try the decided factual issues of validity and infringement *de novo* and deprive plaintiff of his constitutional right to have these issues tried by a jury.

The court frankly admitted that the four basic references to Cook, Cooke, Crowther and Pickwick bus do not show one of the essential features of appellant's combination, namely the chamber formed by the seat and seat supporting means (32a). (Actually they also do not show various other features of the combination) (br. pp. 30-31). The court, however, went on to say that "this variation in the under seat construction could scarcely be considered as a contribution to the art." But this conclusion is directly contrary even to defendant's own admissions (Plaintiff's Exhibit 15) wherein defendant acclaimed the combination as "the world's most advanced fresh air" system for autos and listed many unusual results provided by the combination. Therefore it is plain that the court's holding of lack of contribution to the art is directly contrary to the evidence. Moreover the court's decision as to obviousness was based merely on its gift of hindsight after learning of appellant's invention, which is the wrong test as held repeatedly by the Supreme Court and recently reiterated in the Ray-O-Vac case (br. p. 35).

The fundamental issue in this case is whether a judge can substitute his own opinion for that of the jury on the question of obviousness of changes of prior art patented structures or the manner of their combination, and thus usurp the jury's function in determining this issue. That he cannot and that this matter is for the jury was clearly stated by the Supreme Court in Thomson v. Ford Motor Company, *supra* (br. p. 9) holding that this question "is to be left to the determination of the jury." Clearly, in any patent suit that is tried by a jury a judge could indirectly deprive a patentee of his constitutional rights to trial by jury merely by asserting that he does not agree with the

conclusions of the jury on this point. These are merely honest differences in judgment or opinion which exist in any fact finding, and are not questions of law, nor do they involve "clear error" or "caprice in fact finding" as contemplated in Rule 50b as the *sole* basis for granting judgment *N. O. V.* How can it be fairly said that the finding of validity was "clearly erroneous" when the file wrapper record of the patent shows that the Patent Office considered the very patents the court urges as most pertinent and nevertheless discarded them in favor of allowance of the patent? Is it fair to say that the Patent Office's holding is not that of "reasonable" minds, when the Patent Office experts actually represent the Government? While a judge is entitled to his own opinion as to obviousness this is clearly not the proper basis *for setting aside a verdict,* particularly after a motion for directed verdict was refused and the questions of validity and infringement were submitted to the jury for determination. A patent jury trial is merely a mockery as far as constitutional rights guaranteed by the Seventh Amendment of the Constitution are concerned, when a judge can substitute his own judgment on the matter of obviousness for that of the jury in the absence of a clearly anticipating reference specifically showing the entire combination (as in the Packwood case [reply br. pp. 9-12]), which even defendant's patent expert admits does not exist (R. 443).

Therefore the specific combination was admittedly "new" as well as "useful" (Pl. Ex. 15) meeting the requirements of the Statute, 35 USC 101 stating "Whoever invents or discovers any new and useful * * * machine, manufacture * * * or any new and useful improvement thereof, may obtain a patent * * *." The only other require-

ment of the Statute is whether an "improvement" or "invention" is involved. But "invention" is defined in Sec. 103 as involving solely the question of whether "the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art", which the Supreme Court has consistently held is a question of fact for the jury. Thus the statutory or constitutional standards have been clearly met and the jury made the factual finding that the invention was "new" and "useful" and was "not obvious" at the time it was made, as clearly supported by the evidence.

In the case at bar there were numerous inferences from the evidence sufficient to enable a reasonable man to determine that Fraver's novel combination was not obvious to a person having ordinary skill in the art and was truly inventive.

The first kind of evidence is the presumption of validity attendant the issuance of the patent (especially after consideration of the same patents which the court now deems pertinent but which the Patent Office discarded as not pertinent). Diamond Rubber v. Consolidated Rubber (1911) 220 U. S. 428.

A second form of evidence warranting the same conclusion is found in the fact that the numerous skilled men in the automotive art for over 40 years failed to conceive Fraver's combination in spite of a crying need for this combination, coupled with the fact that after Fraver disclosed his patent to defendant, defendant adopted it and completely discarded prior used devices. Goodyear v. Ray-O-Vac, (1944) 321 U. S. 275, 278.

A third form of evidence from which the jury could conclude the presence of invention is that although the prior art was freely available to defendant, defendant instead chose to adopt Fraver's combination. New York v. Consolidated Rubber Tire Co., 220 U. S. 428, 441.

A fourth form of evidence augmenting the normal presumption of validity exists in the admitted "enthusiasm" of public acceptance of Fraver's combination when placed on the market by defendant (R. 285) and the admitted commercial success reflected in profits of almost a million dollars, and sales of about $8,300,000 in auto air conditioning equipment in a short period of three years (R. 40, 41) Goodyear v. Ray-O-Vac, *supra.*

The fifth and final form of evidence is found in the fact that defendant had to cite over 30 prior art patents and publications in an attempt to make out lack of novelty, none of which, admittedly, shows defendant's combination (R. 443). That such a large number of prior art patents is of itself evidence, either that none of them is nearly like the invention of patentee, or that many prior attempts, shown in the numerous prior devices, were unsuccessful in solving the problem, appears in such cases as Ackermans v. General Motors Corp., 202 F. (2d) 642, 645; (CA-4, 1953) (cert. den. 1953).

Such reasonable men as the Supreme Court justices in writing the above decisions have concluded that invention was present in a host of cases based upon facts analogous to those in the case at bar. In fact, in many of the above decisions, such as the Ray-O-Vac case, the differences between the closest prior art and the patent in suit were smaller than in the case at bar. Certainly it can hardly be said that the conclusions of the Patent Office Examiners

together with that of the 12 jurors and the various expert witnesses of plaintiff are not those of "reasonable" men and are "clearly erroneous" or, as stated by Judge Hastie in the Packwood case, involve "gross mistake or caprice in fact finding." The evidence as to obviousness is slight, in fact non-existent since *no* evidence was presented in an endeavor to show obviousness of plaintiff's combination. It is wrong to judge obviousness merely by hindsight swayed by apparent simplicity of an invention after defendant has carefully combed the prior art to show what was known. Such viewing after the event, as the court has done in the case at bar, was condemned by the Supreme Court in the Ray-O-Vac case wherein it said "Viewed after the event the means Anthony adopted seem simple and such as should have been obvious to those who worked in the field, but this is not enough to negative invention." In any event, the question of "obviousness" is clearly one of *fact* for the jury, as recently reiterated by the Supreme Court in the Thomson v. Ford, *supra*. And even if the evidence were somewhat balanced it must be remembered that 35 USC 282 states that "the burden of establishing invalidity of a patent shall rest on a party asserting it" and this alone should tip the scales in favor of appellant since defendant presented no new issues other than those decided by the Patent Office in plaintiff's favor.

Apparently this court, misled by statements made by defendant at the trial, has an erroneous impression concerning the holdings in the A & P case and the present law concerning patents on combinations of mechanical elements. Contrary to defendant's assertion, the *majority opinion* in the A & P case does *not* hold that a combination claim can be anticipated merely by showing the individual elements to be separately old in the prior art and having

functions as they had before, because if this were true, even the classic mechanical inventions could not survive the test. The only requirement in the A & P case is (p. 305) "the conjunction or concert of known elements must contribute something; only when the whole in some way exceeds the sum of its parts is the accumulation of old devices patentable." This is clearly an acknowledgment that even old or "known" elements may form a patentable combination so long as the combination produces an improvement because of the fact of combination. After all, practically all mechanical inventions (and they constitute most of the inventions) are made up of previously known elements having previously known functions. That such combinations are still considered patentable by the Supreme Court is evidenced by the very recent cases in which the Supreme Court upheld validity of combinations of mechanical elements which, individually, had only previously known functions. Just over a month ago (Nov. 16, 1953) the Supreme Court denied certiorari and thus upheld validity of a gas lift flow valve, involving a combination of "admittedly" old elements each of which performed the same function as in the prior art, in Guiberson Corp. v. Garrett Oil Tools, 98 USPQ 165; 205 F. 660 (CA5-1953) wherein Judge Hutcheson, in the opinion of the Court of Appeals stated (p. 166) "Plaintiff admitted that its patent was a combination patent, all of the elements in which were old." Likewise the Supreme Court denied certiorari and very recently upheld other cases involving combinations of old mechanical elements performing the same functions as in the prior art, but wherein the assembly provided an improvement, but not of a "surprising" or "extraordinary" nature, since neither of these requirements is imposed by the A & P case (br. p. 12), which cases are as follows:

In Livesay Industries v. Liversay Window Co., 96 USPQ 285 (CA5-1953) the Supreme Court denied certiorari on Oct. 19, 1953 and upheld the validity of a mechanical combination of a precast concrete window frame construction including well known channel guides, pintles etc. having their previously known functions.

In Russell Box Co. v. Grant Paper Box Co., 86 USPQ 337, (CA3-1950) cert. den. Oct. 12, 1953, the Supreme Court upheld this court's decision holding validity of a laminated paperboard construction for boxes for bakery products wherein the general combination and individual elements were well known and wherein the result of the combination was merely an improvement in moisture-proofness as compared to that of prior combinations.

Furthermore as stated in Faulkner v. Gibbs, 170 F. 2d 34, 38 (CA9-1948), (affirmed by the Supreme Court in 338 U. S. 267).

> "What constitutes invention as distinguished from mere aggregation is a question of fact."

In the same decision the Supreme Court in affirming said (p. 268):

> "the patent was sustained because of the fact of combination rather than the novelty of any particular element."

The Supreme Court recently stated in Thomson v. Ford Motor, (1924) 265 U. S. 445, 446:

> "• • • the question whether an improvement requires mere mechanical skill or the exercise of the faculty of invention is one of fact; and, in an action at law for infringement, is to be left to the determination of the jury."

In Tennant v. Peoria & Pekin Union Railway Company, (1944) 321 U. S. 29, the Supreme Court said, page 35:

> "* * * Courts are not free to reweigh the evidence and set aside the jury's verdict merely because the jury could have drawn different inferences or conclusions or because judges feel that other results are more reasonable."

And in Lavender v. Kury, (1946) 327 U. S. 645, the Supreme Court stated, page 653:

> "* * * But where, as here, there is an evidentiary basis for the jury's verdict, the jury is free to discard or disbelieve whatever facts are inconsistent with its conclusion. And the appellate court's function is exhausted when that evidentiary basis becomes apparent, it being immaterial that the court might draw a contrary inference or feel that another conclusion is more reasonable."

CONCLUSION

For the above reasons, supplemented by those given in appellant's main brief and reply brief, reconsideration of the Opinion of this court is respectfully requested so as to allow the jury's verdict of validity and infringement to stand. And even should the court decide not to grant a petition for rehearing of the issues of validity and infringement, it is respectfully prayed that in view of appellant's financial circumstances and the equities involved herein that the item of "costs" be eliminated from the *Per Curiam* judgment of this court dated December 16, 1953.

Respectfully submitted,

WILLIAM J. RUANO,
Attorney for Plaintiff-Appellant.

I, WILLIAM J. RUANO, attorney for plaintiff-appellant, petitioner herein, do hereby certify that in my judgment the foregoing petition for rehearing is well founded, and that the same is not interposed for delay.

WILLIAM J. RUANO.

Pittsburgh, Pennsylvania,
December 30, 1953.

[fol. 106] IN THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

No. 11,144

IVAN N. FRAVER, Plaintiff-Appellant

v.

THE STUDEBAKER CORPORATION

ORDER AMENDING OPINION AND DENYING PETITION FOR REHEARING—January 11, 1954

Present: Kalodner, Staley and Hastie, Circuit Judges

And Now, to wit, this 11th day of January, 1954, it is Ordered that the printed opinion filed herein on December 16, 1953, be and the same hereby is amended as follows:

By adding a final paragraph reading "Each party to bear its own costs."

Further Ordered that the petition for rehearing be and the same hereby is denied.

By the Court, Kalodner, Circuit Judge.

[fol. 107] IN THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

No. 11,144

IVAN N. FRAVER, Appellant

vs.

THE STUDEBAKER CORPORATION

On Appeal from the United States District Court for the Western District of Pennsylvania

Present: Kalodner, Staley and Hastie, Circuit Judges.

AMENDED JUDGMENT—January 11, 1954

This cause came on to be heard on the record from the United States District Court for the Western District of Pennsylvania and was argued by counsel.

On consideration whereof, it is now here ordered and adjudged by this Court that the order and judgment of the said District Court in this case be, and the same is hereby affirmed; each party to bear its own costs.

[File endorsement omitted.]

[fol. 108] Clerk's Certificate to foregoing transcript omitted in printing.